

**FILED**

# United States District Court

AUG 14 2019

## EASTERN DISTRICT OF OKLAHOMA

PATRICK KEANEY  
Clerk, U.S. District Court

By \_\_\_\_\_  
Deputy Clerk

In the Matter of the Seizure of  
TD Ameritrade SEP IRA Account xxx-xx5183  
and TD Ameritrade SEP IRA Account xxx-  
xx6684 associated with Valley View Foot and  
Ankle Center PLLC, Bryan Blanck, and Nicole  
Blanck.

Case No. **MJ-19-084-KEW**

### APPLICATION FOR WARRANT TO SEIZE PROPERTY SUBJECT TO FORFEITURE

I, JACOB KARN, a federal law enforcement officer or an attorney for the government, request a seizure warrant and state under penalty of perjury that I have reason to believe that the following property in the EASTERN District of OKLAHOMA and elsewhere is subject to forfeiture to the United States of American pursuant to Title 18, United States Code, Section(s) 981(a)(1)(C), 981(a)(1)(D), 982(a)(3), Title 21, United States Code, Section 853(f) and Title 28, United States Code, Section 2461(c), *(describe the property)*:

**SEE ATTACHMENT "A"**

The application is based on these facts:

☒ Continued on the attached sheet.

  
\_\_\_\_\_  
JACOB KARN, Special Agent  
Veterans Affairs, Office of Inspector General,  
Criminal Investigations Division, Dallas, Texas

Sworn to before me and signed in my presence.

Date: Aug. 14, 2019

City and state: Muskogee, Oklahoma

  
\_\_\_\_\_  
JUDGE'S SIGNATURE  
KIMBERLY E. WEST  
UNITED STATES MAGISTRATE JUDGE  
*Printed name and title*

**AFFIDAVIT IN SUPPORT OF APPLICATION FOR SEIZURE WARRANT**

I, Jacob Karn, a Special Agent (SA) with the Veterans Affairs, Office of Inspector General, Criminal Investigation Division (VA OIG), South Central Field Office, having been duly sworn state the following:

**INTRODUCTION AND BACKGROUND**

1. I have been employed as a Special Agent of the VA OIG since December 2015. I am presently assigned to the VA OIG South Central Field Office (SCFO), Dallas, Texas where I investigate various crimes regarding the Department of Veterans Affairs (VA). Prior to joining the VA OIG, I was a Special Agent with the United States Secret Service (USSS), Newark Field Office, since 2010. During my tenure as a USSS Special Agent, I conducted multiple investigations involving bank fraud, counterfeiting, hacking and network intrusion cases, which were complex multi-jurisdictional investigations. Since joining the VA OIG, I have conducted and participated in several Healthcare Fraud investigations. I have gained experience in conducting such investigations through formal training, on-the-job training, attendance at a healthcare conference, as well as consultation with experienced Agents. During the course of my career, I have participated in the execution of numerous search warrants, seizure warrants and arrests of individuals for violations of federal law.

2. The information set forth in this affidavit is based on my personal knowledge and information received from other law enforcement personnel assisting in this investigation, and through financial information, interviews, and other documents and sources. I have reviewed the information contained in this Affidavit and allege the facts contained herein to be accurate. Because this Affidavit is being submitted for the limited purpose of establishing probable cause for a search warrant, I have not included each and every fact known to me concerning this

investigation. Rather, I have included the information I believe establishes probable cause for the following violations of the United States Code have occurred:

- a) 18 U.S.C. § 1347, Health Care Fraud<sup>1</sup>;
- b) 18 U.S.C. § 1035, False Statements Relating to Health Care Matters
- c) 18 U.S.C. § 1343, Wire Fraud and
- d) 18 U.S.C. § 641, Theft of Government Funds.

### **LEGAL AUTHORITY FOR SEIZURE**

3. I submit this affidavit in support of applications for warrants to seize the property listed in Attachment A because probable cause exists to believe that it is subject to forfeiture to the United States pursuant to 18 U.S.C. § 981(a)(1)(c), 18 U.S.C. § 981(a)(1)(D), 18 U.S.C. § 982(a)(3), 21 U.S.C. § 853(f) and 28 U.S.C. § 2461(c) as property that was purchased with proceeds of the violations listed in Attachment A.

4. I further submit this Court has authority to issue a seizure warrant to seize property subject to forfeiture which is located in the Eastern District of Oklahoma and elsewhere pursuant to 21 U.S.C. § 853(l) and 28 U.S.C. § 1355(d).

5. Based on my training, experience, and the information contained in the subsequent paragraphs, I submit there is probable cause to believe the property described in Attachment A above is subject to seizure and forfeiture.

### **BACKGROUND**

6. In July 2017, the VA OIG SCFO received a referral from the Department of Veterans Affairs, Office of Community Care, Department of Program Integrity (Program

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<sup>1</sup> 18 U.S.C. §24(b) defines a “health care benefit program” as “any public or private plan or contract, affecting commerce, under which any medical benefit, item, or service is provided to any individual, and includes any individual or entity who is providing a medical benefit, item, or service for which payment may be made under the plan or contract.”

Integrity). In August 2017, VA OIG SCFO initiated a Health Care Fraud investigation into a podiatry clinic, Valley View Foot and Ankle Center PLLC, that is owned and operated by Dr. Bryan A. Blanck. The investigation concerned whether Dr. Blanck, and others, knowingly and intentionally engaged in a scheme to defraud a government health insurance provider(s), specifically, the VA Choice / Patient-Centered Community Care (PC3) program, by submitting claims for higher levels of service than what was medically reasonable or necessary. Dr. Blanck appeared to be an outlier in claim frequency and cost related to skin substitutes and other skin substitute associated billings.

### **ENTITIES**

7. Valley View Foot and Ankle Center PLLC, is registered with the Oklahoma Secretary of State with a formation date of August 2, 2007 located at 1221 Arlington Suite A, Ada, Ok 74820. This is the old address of the Valley View Foot and Ankle Center PLLC. According to NPES NPI Registry, a website managed by Health and Human Services, Dr. Bryan A. Blanck, DPM, is the President of Valley View Foot and Ankle Center PLLC located at 1631 Arlington Street, Ada, OK 74820. On February 5, 2019, the website for Valley View Foot and Ankle Center is [www.doctor4feet.com](http://www.doctor4feet.com) which describes the business located at 1631 Arlington, Ada, OK 74820.

8. The Department of Veterans Affairs, Veterans Health Administration (VHA), provides integrated health care to U.S. Military Veterans in the United States through VA Medical Centers and VA Outpatient Clinics. VHA provides health care services similar to traditional hospitals. Veterans enrolled in VA health care have the option to receive care at the VA or at health care facilities within the local community. In addition to providing health care to veterans, VHA offers two primary programs Patient-Centered Community Care (PC3) and Veterans Choice Program (Choice). PC3 is a decentralized VA nationwide program to offer non-VA health care to

eligible veterans when VA Medical Centers could not provide veterans with timely care. In September 2013, VA awarded contracts to Third Party Administrators (TPAs) Health Net Federal Services and TriWest Healthcare Alliance (TriWest). Choice was enacted in August 2014 through the Veterans Access, Choice, and Accountability Act of 2014 (VACAA). Choice was designed to improve veteran's access to VA medical services to receive care from non-VA providers. To implement the requirements of VACAA, VA amended the PC3 contracts to have the existing TPAs administer Choice.

9. TriWest oversees the scheduling, claims processing and billing functions for veterans receiving care in the community. The TPAs responsibility is geographic region specific. TriWest sub-contracts Wisconsin Physician Services (WPS) to handle all its claims processing for Choice. WPS receives claims from TriWest's network providers via electronic transmission or paper copy via mail. WPS subsequently processes the claims and submits corresponding invoices to the VA through Electronic Data Interchange (EDI)<sup>2</sup> and its clearinghouse Trizetoo for electronic claim transmissions. VA processes the invoices and makes payment to TriWest.

10. TriWest follows Medicare Coding and Reimbursement Guidelines, except where coverage is specifically allowed or excluded by the veteran benefit programs. Medicare coverage guidelines are published by the Medicare Administrative Contractor (MAC) with jurisdiction over the applicable territory. The guidelines for skin substitute services in Oklahoma are outlined in Local Coverage Determination (LCD): Application of Bioengineered Skin Substitutes to Lower Extremity Chronic Non-Healing Wounds (L35041). According to a TriWest report (discussed in

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<sup>2</sup> EDI is the automated transfer of data in a specific format following specific data content rules between a health care provider and Medicare, or between Medicare and another health care plan. In some cases, that transfer may take place with the assistance of a clearinghouse or billing service that represents a provider of health care or another payer. EDI transactions are transferred via computer either to or from Medicare. (<https://www.cms.gov/Medicare/Billing/ElectronicBillingEDITrans/index.html>).

further detail below)<sup>3</sup> and LCD, Medicare covers the use of skin substitutes of ulcers or wounds with a failed response. For skin substitutes to be used, a detailed treatment history is required of standard wound care for a minimum of four weeks. At the end of the minimum four weeks, documentation must be shown as to why standard wound care has failed and it is necessary to use skin substitutes.

### **STATEMENT OF PROBABLE CAUSE**

11. The investigation to date has revealed there is probable cause to believe that Dr. Bryan Andrew Blanck knowingly submitted claims and other documentation to the VA for excessive medical services and for higher levels of service than what was medically reasonable or necessary. Due to Dr. Blanck's actions, the VA was billed \$16,523,430.00 and the VA ultimately paid Valley View Foot and Ankle Center PLLC \$12,544,012.42 for dates of service from August 14, 2015 through February 26, 2019 for 50 veterans receiving skin substitute and skin substitute related treatment. Dr. Blanck, and his specific NPI<sup>4</sup>, is used to treat and bill patients at VVFAC. Dr. Blanck is the only known provider at the VVFAC. Dr. Blanck is the only known provider treating VA patients and billing TriWest through the VA Choice program at VVFAC.

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<sup>3</sup> TriWest Healthcare Alliance Report of Investigation, dated January 11, 2019.

<sup>4</sup> National Provider Identifier (NPI) was adopted and became effective May 23, 2007 as the standard unique health identifier for health care providers to carry out a requirement in Health Insurance Portability and Accountability Act of 1996 (HIPAA) for the adoption of such a standard. An entity who meets the definition of a "health care provider" – that is, any provider of medical or other health services, and any other person or organization that furnishes, bills, or is paid for health care in the normal course of business – is eligible to receive a provider ID, or NPI. Under HIPAA, a covered health care provider is any provider who transmits health information in electronic form in connection with a transaction for which standards have been adopted. A covered health care provider must notify the NPPES of the address change within 30 days of the effective date of the change. The NPI is meant to be a lasting identifier and is expected to remain unchanged even if a health care provider changes his or her name, address, provider taxonomy, or other information that was furnished as part of the original NPI application process. (<https://www.cms.gov/Regulations-and-Guidance/Administrative-Simplification/Unique-Identifier/UniqueIdentifiersFAQs.html>).



**PROVIDER AGREEMENT AND MEDICARE GUIDELINES**

12. TriWest conducted a limited Desk Audit, dated January 11, 2019, for five veteran patients. For these five patients, 263 visits were reviewed, of which 193 or 73.3% of the visits resulted in the billing of a skin substitute by Dr. Blanck. Medicare guidelines dictate a provider document previous wound care treatment(s) to a patient that failed or was unsuccessful prior to administering or utilizing skin substitutes. According to Dr. Blanck's Provider Agreement with TriWest, he is obligated to adhere to Medicare Coding and Reimbursement Guidelines while rendering services to VA patients under the Choice program. TriWest determined in their review that Dr. Blanck did not document any previous wound care treatment(s) in the patient records reviewed. In fact, the five patients had one or more records that were noted, "Previous treatment of the ulcer includes nothing." Dr. Blanck documented in the medical records the size of the ulcers in millimeters (mm), but the skin substitutes were billed in units with the same number in centimeters (cm). For example, ulcer diameter is documented as 4x3 mm. Treatment notes indicate 12 cm. sq. was applied. 12 units (1 unit = 1 cm. sq.) of Graftix Prime were billed and paid. According to the manufacturer's website, Graftix Prime is available in smaller sizes, including 16 mm, 1.5 cm. x 2 cm, and 2 cm. x 3 cm, but Dr. Blanck billed the largest quantity.<sup>5</sup>

13. Medicare pricing guidelines for skin substitute products are established in the Medicare Part B Drug and Biological Average Sales Price (ASP) Quarterly Payment Lists. On July 1, 2017, payment limits were established for Graftix Prime (Q4133) and Graftix Core (Q4132). According to TriWest billing data, prior to the July 1, 2017 reimbursement change, Dr. Blanck was billing for 12 cm square of Graftix Prime (Q4133) for \$9,000 and being paid \$7,200. The reimbursement costs dramatically dropped for Q4132 and Q4133 after July 1, 2017. After July 1,

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<sup>5</sup> TriWest Healthcare Alliance Report of Investigation, dated January 11, 2019

2017, the amount billed by Dr. Blanck for 12 cm square of Grafix Prime (Q4133) was \$9,000 and payment received was \$1,528.

#### **VA PATIENT LINDA WALTERS**

14. On June 5, 2018, Agents interviewed veteran patient Linda Walters. According to Walters she began seeing Dr. Blanck for treatment in 2016. According to TriWest authorization data, appointments for scheduled services were made for the 1221 Arlington Street, Ada, OK 74820 address in 2016. In addition, TriWest's provider file for Dr. Blanck shows that the 1221 Arlington Street, Ada, OK 74820 location was terminated on September 30, 2016 and the 1631 Arlington Street, Ada, OK, 74820 location became effective on September 30, 2016. She was referred to Dr. Blanck for a toe nail removal. She first saw Dr. Blanck on May 25, 2016. Upon her first visit, Dr. Blanck informed her that he could not perform the toe nail removal procedure because her A1C<sup>6</sup> was too high. According to Walters, Dr. Blanck noticed a discoloration on her right leg and a mosquito bite in that area. Walters stated that he was "all excited about that." Dr. Blanck treated the mosquito bite with a skin substitute without attempting any traditional medical treatment first. Walters stated to Dr. Blanck at the time "it was just a mosquito bite, it will heal up in a few days." He still placed the skin substitute on her leg and was told to come back in four or five days. On Walters' follow up visit, Dr. Blanck placed a skin substitute on another mosquito bite. In all, Walters stated that she had four or five skin substitutes placed on mosquito bites. Walters never received her toe nail removal procedure from Dr. Blanck.

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<sup>6</sup> A1C is a blood test for type 2 diabetes and prediabetes. It measures your average blood glucose, or blood sugar, level over the past 3 months. Doctors may use the A1C alone or in combination with other diabetes tests to make a diagnosis. The higher the percentage, the higher your blood sugar levels have been: A normal A1C level is below 5.7 percent. Prediabetes is between 5.7 to 6.4 percent. Type 2 diabetes is above 6.5 percent (<https://medlineplus.gov/a1c.html>).



15. A review of TriWest billing data revealed that on May 25, 2016, Dr. Blanck billed \$24,850. Specifically, Dr. Blanck billed the VA, through the Choice program, \$18,000 for skin substitutes (Q4133), on Linda Walters' first visit.

16. As set out in the chart below, from May 25, 2016 through September 1, 2016, Dr. Blanck billed the VA in the amount of \$92,250 for Walters' treatment for Q4133.

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units (cm)</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
Linda Walters	5/25/2016	Q4133	48	9,000.00	7,200.00	
Linda Walters	5/25/2016	Q4133	60	9,000.00	7,200.00	
Linda Walters	7/27/2016	Q4133	48	750.00	600.00	
Linda Walters	7/27/2016	Q4133	48	9,000.00	7,200.00	
Linda Walters	7/29/2016	Q4133	60	18,750.00	15,000.00	
Linda Walters	8/1/2016	Q4133	60	18,750.00	15,000.00	
Linda Walters	8/26/2016	Q4133	60	9,000.00	7,200.00	
Linda Walters	8/29/2016	Q4133	73	9,000.00	7,200.00	
Linda Walters	9/1/2016	Q4133	48	9,000.00	7,200.00	
<b>SUBTOTAL</b>				<b>92,250.00</b>	<b>73,800.00</b>	

17. On March 5, 2019, Agents interviewed Dr. Patrice Marcarelli, Senior Physician, Medical Consultation and Review, Office of Healthcare Inspection, VA OIG regarding veteran patient Linda Walters. According to Dr. Marcarelli, after reviewing medical records and associated documentation, Walters was referred and authorized one visit for an ingrown toe nail for a non-VA consult through the TriWest/VA Choice program on May 4, 2016. Walters was referred to Dr. Blanck. On Walters' first visit on May 25, 2016, Dr. Blanck treated her for two ulcers with Graphix Prime. No prior standard medical care was attempted for these wounds. The wounds were fairly small and according to CMS and Medicare guidelines there are certain criteria that need to be met when using bio-engineered skin substitutes, which in this case, were not met. According to Dr. Marcarelli, this was not medically reasonable or necessary. On several follow up visits Dr. Blanck treated wounds the size of 4x2mm with a 12 cm square skin substitute.

According to CMS and Medicare guidelines, a wound should be at least 1 cm square in size, have attempted traditional medical care for several weeks and use a skin substitute of similar size. In July 2016, Dr. Blanck retreated wounds that were previously healed with more skin substitutes, none of which was medically reasonable or necessary.

**VA PATIENT JAMES JACKSON**

18. On June 12, 2018, Agents interviewed veteran James Jackson and again on March 19, 2019. Jackson began seeing Dr. Blanck in 2016 at the old facility located at 1221 Arlington Street, Ada, OK 74820. Jackson recalled being treated by Dr. Blanck the first visit and possibly the second visit at the 1221 Arlington Street, Ada, OK 74820 location. Jackson does not recall which date he began seeing Dr. Blanck at the new facility located at 1631 Arlington Street, Ada, OK 74820. According to TriWest authorization data, appointments for services were scheduled for the 1221 Arlington Street, Ada, OK 74820 address through the end of 2016. The TriWest authorization data also revealed appointments for services were scheduled for 1631 Arlington Street, Ada, OK 74820 location beginning in 2017 – present. In addition, TriWest’s provider file for Dr. Blanck shows that the 1221 Arlington Street, Ada, OK 74820 location was terminated on September 30, 2016 and the 1631 Arlington Street, Ada, OK, 74820 location became effective on September 30, 2016.

19. According to Jackson, he never went to treatment specifically for a wound that was having problems healing. Even though Jackson has diabetes, he does not have unusual problems healing. Jackson stated Dr. Blanck noticed “scrapes and nicks” and determined they needed a skin substitute. Jackson thought the skin substitutes were excessive and told his wife he thought Dr. Blanck was “abusing the system.” During Jackson’s office visits, he regularly saw another patient in the waiting room. They had several conversations about Dr. Blanck’s excessive and

unnecessary treatment regarding skin substitutes. From November 15, 2016 – December 19, 2016, Dr. Blanck billed the VA \$459,750 for skin substitutes (Q4133) through the Choice program, for veteran Jackson. Within that timeframe, on December 9, 2016 alone, Dr. Blanck billed the VA, through the Choice program, \$54,750 for a skin substitute treatment (Q4133). The billing can be seen below:

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units (cm)</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
James Jackson	11/15/2016	Q4133	48	36,000.00	28,800.00	1/16/2017
James Jackson	11/17/2016	Q4133	60	45,000.00	36,000.00	1/16/2017
James Jackson	11/21/2016	Q4133	48	36,000.00	28,800.00	1/16/2017
James Jackson	11/23/2016	Q4133	48	36,000.00	28,800.00	2/1/2017
James Jackson	11/28/2016	Q4133	60	45,000.00	36,000.00	1/16/2017
James Jackson	12/1/2016	Q4133	60	45,000.00	36,000.00	2/2/2017
James Jackson	12/5/2016	Q4133	60	45,000.00	36,000.00	2/6/2017
James Jackson	12/9/2016	Q4133	73	54,750.00	43,800.00	2/1/2017
James Jackson	12/13/2016	Q4133	48	36,000.00	28,800.00	2/6/2017
James Jackson	12/16/2016	Q4133	60	45,000.00	36,000.00	1/30/2017
James Jackson	12/19/2016	Q4133	48	36,000.00	28,800.00	1/30/2017
<b>SUBTOTAL</b>				<b>459,750.00</b>	<b>367,800.00</b>	

20. On March 5, 2019, Agents interviewed Dr. Patrice Marcarelli, Senior Physician, Medical Consultation and Review, Office of Healthcare Inspection, VA OIG regarding veteran patient James Jackson. According to Dr. Marcarelli, after reviewing medical records and associated documentation, Jackson was referred to Dr. Blanck on June 29, 2016 for numbness in his left big toe. Jackson saw Dr. Blanck for a second time on September 7, 2016 for nail care. On November 15, 2016, Jackson saw Dr. Blanck for a third time and began wound treatment. Jackson had four wounds that were documented as a new ulcer “traumatic.” All of these wounds were small, ranging from 3x3mm to 13x7mm. Dr. Blanck applied a 12 cm square Graphix Prime skin substitute on each wound. Dr. Blanck did not attempt standard wound care before applying skin

substitutes, as required by Medicare guidelines. All of these wounds were less than 1 cm square, which is the minimum size required, and Dr. Blanck used a 12 cm square for each wound. Dr. Marcarelli stated that placing the skin substitutes on Jackson's wounds was not medically reasonable or necessary. Dr. Marcarelli further advised that Dr. Blanck documented that one of Jackson's wounds was resolved on December 13, 2016, specifically wound #5 and was later treated with another skin substitute. According to Dr. Marcarelli, the frequency of treatment was not medically reasonable or necessary. Further, Dr. Blanck saw Jackson several times from November 15, 2016 to December 19, 2016, debriding wounds, removing the skin substitute product, not permitting the product to have the appropriate efficacy and then reapplying new skin substitute every few days, none of which, according to Dr. Marcarelli, was medically reasonable or necessary.

**SKIN SUBSTITUTE BILLING SCHEME:**

**VA Patients Reeves Hammond, Basile Vanaria, Billy Ringwald and Robert Sigo**

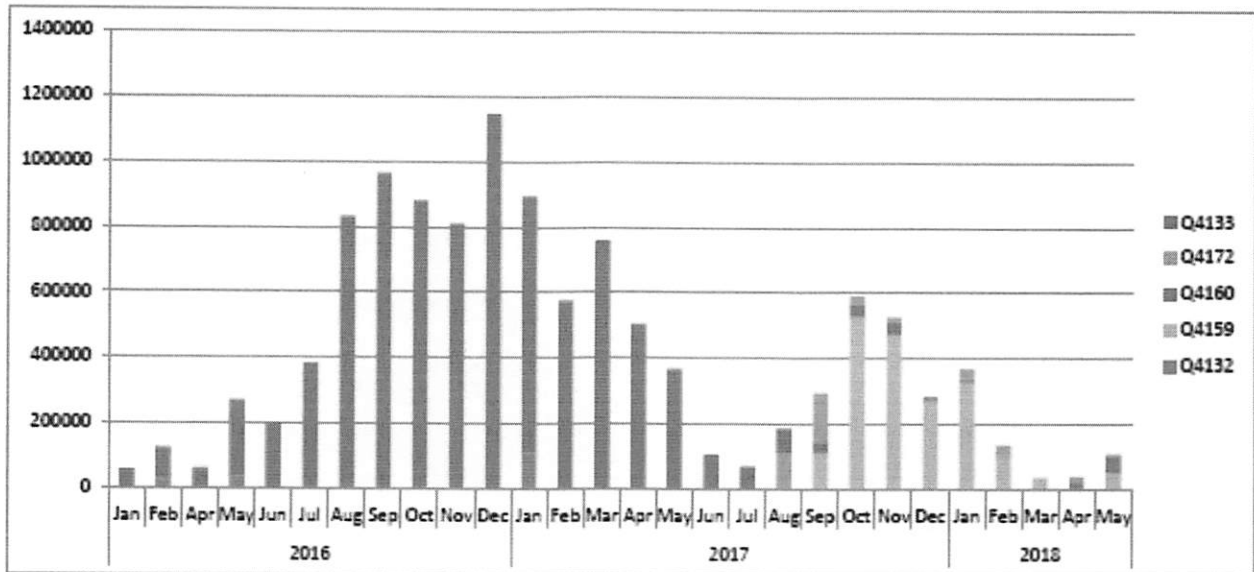
21. On June 29, 2017, veteran Reeves Hammond was seen by Dr. Blanck. As set forth in the chart below, Dr. Blanck billed TriWest through the VA Choice program in the amount of \$9,000 for 12 units of Graftix Prime (Q4133) for services provided to Hammond. Dr. Blanck was paid by TriWest through the VA Choice program on August 7, 2017 in the amount of \$7,200. On July 5, 2017, Dr. Blanck billed TriWest through the VA Choice program in the amount of \$9,000 for 12 units of Graftix Prime (Q4133) for services provided to Hammond. Dr. Blanck was paid by TriWest through the VA Choice program on August 8, 2017 in the amount of \$1,528.00.

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units (cm)</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
Reeves Hammond	6/29/2017	Q4133	12	9,000.00	7,200.00	8/7/2017
Reeves Hammond	7/5/2017	Q4133	12	9,000.00	1,528.00	8/8/2017

22. According to TriWest billing records, Q4133 was not billed by Dr. Blanck after August 7, 2017. The graph below depicts trends that Dr. Blanck immediately transitioned to a different skin substituent due to the lower reimbursement rate of the Grafix Prime skin substitute.

[BLANCK, BRYAN ANDREW, DPM]

### Timeline of Billed amounts - Skin Substitute Products



Q4133 - Grafix prime and grafixpl prime, per square centimeter

Q4172 - Puraply or puraply am, per square centimeter

Q4160 - Nushield, per square centimeter

Q4159 - Affinity, per square centimeter

Q4132 - Grafix core and grafixpl core, per square centimeter

(Graph)<sup>7</sup>

23. According to TriWest billing records, Dr. Blanck showed trends of testing the reimbursement rates for different skin substitutes that were not previously used for veteran Basile Vanaria. On August 7, 2017, Dr. Blanck billed TriWest through the VA Choice program for 24 units of Graphix Prime (Q4133) for services provided to veteran Basile Vanaria. On August 10,

<sup>7</sup> TriWest Healthcare Alliance Report of Investigation, dated January 11, 2019

2017, Dr. Blanck billed TriWest through the VA Choice program for 6 units of Nushield (Q4160) for services provided to veteran Vanaria. On the same day, Dr. Blanck billed TriWest through the VA Choice program for 4 units of a different skin substitute, Puraply (Q4172), for services provided to veteran Vanaria. The table below illustrates the 72-hour treatment and billing for veteran Vanaria for skin substitutes:

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
Basile Vanaria	8/7/2017	Q4133	24	18,000.00	3,056.09	9/7/2017
Basile Vanaria	8/10/2017	Q4160	6	4,920.00	3,936.00	9/18/2017
Basile Vanaria	8/10/2017	Q4172	4	3,280.00	2,624.00	9/18/2017

24. According to TriWest billing records, Dr. Blanck showed trends of testing the reimbursement rates for different skin substitutes that were not previously used for veteran Billy Ringwald. On September 26, 2017, Dr. Blanck billed TriWest through the VA Choice program for 6 units of Affinity (Q4159) for services provided to veteran Billy Ringwald. Continuing the same day, Dr. Blanck billed TriWest through the VA Choice program for 6 units of Nushield (Q4160) for services provided to veteran Ringwald. Continuing on the same day, Dr. Blanck billed TriWest through the VA Choice program for 4 units of a different skin substitute, Puraply (Q4172), for services provided to veteran Ringwald. The table below illustrates the single day treatment and billing for veteran Ringwald for skin substitutes:

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
Billy Ringwald	9/26/2017	Q4159	6	15,000.00	12,000.00	11/2/2017
Billy Ringwald	9/26/2017	Q4160	6	4,920.00	3,936.00	11/2/2017
Billy Ringwald	9/26/2017	Q4172	4	3,280.00	2,624.00	11/2/2017

25. According to TriWest billing records, Dr. Blanck showed trends of testing the reimbursement rates for different skin substitutes that were not previously used for veteran Robert



Sigo. On September 26, 2017, Dr. Blanck billed TriWest through the VA Choice program for 6 units of Affinity (Q4159) for services provided to veteran Robert Sigo. Continuing the same date, Dr. Blanck billed TriWest through the VA Choice program for 6 units of Nushield (Q4160) for services provided to veteran Sigo. The table below illustrates the single day treatment and billing for veteran Sigo for skin substitutes:

<b>Veteran</b>	<b>Date of Service</b>	<b>Code</b>	<b>Units</b>	<b>Billed</b>	<b>Paid</b>	<b>Date Paid</b>
Robert Sigo	9/26/2017	Q4159	6	15,000.00	12,000.00	11/2/2017
Robert Sigo	9/26/2017	Q4160	6	4,920.00	3,936.00	11/2/2017

26. According to TriWest authorization data, VA patients Hammond, Vanaria and Sigo were scheduled for services with Dr. Blanck at the 1221 Arlington Street, Ada, OK 74820 location and continued scheduled services into 2017 at the new facility at 1631 Arlington Street, Ada, OK 74820. As recently as December 6, 2018, veteran Vanaria was scheduled for services with Dr. Blanck. According to TriWest authorization data veteran Ringwald has only been scheduled for services at the 1631 Arlington Street, Ada, OK 74820 location.

### **SUMMARY OF BILLING**

27. According to a VA Program Integrity data analysis, from February 14, 2017 – June 14, 2018, Dr. Blanck was the #1 billing podiatrist out of 4,014 podiatrists nationwide in VA Choice. Dr. Blanck accounted for 23.7% of total podiatrist billings in the VA Choice program.

28. During the same time period, Dr. Blanck was the #1 billing provider out of 280,073 individual providers in the entire VA Choice program across the nation.

29. A review of TriWest billing data revealed that for the dates of service from August 14, 2015 - February 26, 2019, Dr. Blanck billed the VA Choice program through TriWest a total amount of \$16,523,430.00 and TriWest paid, on VA's behalf, Valley View Foot and Ankle Center

a total amount of \$12,544,012.42 for skin substitute and skin substitute related treatment for 50 veteran patients.

### **FINANCIAL INVESTIGATION**

#### **First United Bank Account #xxx1857**

30. Through financial investigation and analysis, based on a review of bank records from March 21, 2016 through January 31, 2019, \$12,606,396.80 was transferred into VVFAC's First United Bank account xxx1857 from TriWest Healthcare via check or ACH credits. Account xxx1857 is in the name of Valley View Foot & Ankle Center, LLC with signatures of Bryan Blanck and Nicole Blanck. Payments for services related to skin substitutes totaled \$12,544,012. Therefore, I believe there is probable cause to believe that up to \$12,544,012 in First United Bank account xxx1857 represents proceeds traceable to the commission of the aforementioned unlawful acts (all the following paragraphs are the flow of this money).

#### **TD Ameritrade SEP IRA Account #xxx-xx5183**

31. Based on a review of bank records from March 21, 2016 through January 31, 2019, \$162,000 was transferred into Raymond James/Vision Investment Services IRA account xxxx7906 from VVFAC's First United Bank Account xxx1857 via checks signed by Bryan and Nicole Blanck. On September 25, 2018, various equity securities and cash were withdrawn from Raymond James/Vision Investment Services IRA Account xxxx7906 and transferred to TD Ameritrade SEP IRA Account xxx-xx5183 in the amount of \$328,586. TD Ameritrade SEP IRA Account xxx-xx5183 is in the name of Bryan Blanck. On January 11, 2019, an additional \$56,000 was transferred to TD Ameritrade SEP IRA Account xxx-xx5183 directly from VVFAC's First United Bank Account xxx1857 via wire transfer. Therefore, I believe there is probable cause to believe that up to \$218,000 in TD Ameritrade SEP IRA Account xxx-xx5183 represents proceeds

traceable to the commission of the aforementioned unlawful acts.

**TD Ameritrade SEP IRA Account #xxx-xx6684**

32. Based on a review of bank records from March 21, 2016 through January 31, 2019, \$48,750 was transferred into Raymond James/Vision Investment Services IRA account xxxx2508 from VVFAC's First United Bank Account xxx1857 via checks signed by Bryan and Nicole Blanck. On September 25, 2018, various equity securities and cash were withdrawn from Raymond James/Vision Investment Services IRA Account xxxx2508 and transferred to TD Ameritrade SEP IRA Account xxx-xx6684 in the amount of \$109,271. TD Ameritrade SEP IRA Account xxx-xx6684 is in the name of Nicole Blanck. On January 14, 2019, an additional \$16,250 was transferred to TD Ameritrade SEP IRA Account xxx-xx6684 directly from VVFAC's First United Bank Account xxx1857 via wire transfer. Therefore, I believe there is probable cause to believe that up to \$65,000 in TD Ameritrade SEP IRA Account xxx-xx6684 represents proceeds traceable to the commission of the aforementioned unlawful acts.

**CONCLUSION**

33. The facts set forth in this affidavit establish probable cause to believe that Dr. Bryan Andrew Blanck has committed crimes in violation of:

- a) 18 U.S.C. § 1347, Health Care Fraud
- b) 18 U.S.C. § 1035, False Statements Relating to Health Care Matters
- c) 18 U.S.C. § 1343, Wire Fraud and
- d) 18 U.S.C. § 641, Theft of Government Funds.

Based on my training, experience, analysis by a forensic auditor and the preceding information, I submit that there is probable cause to believe that the property described in Attachment A of this affidavit is subject to seizure and forfeiture to the United States pursuant to 18 U.S.C. §

981(a)(1)(c), 18 U.S.C. § 981(a)(1)(D), 18 U.S.C. § 982(a)(3), 21 U.S.C. § 853(f) and 28 U.S.C. § 2461(c) as property that constitutes and is derived from violations of the violations listed in Attachment A. Therefore, I request that seizure warrants be issued for the property.



Jacob Karn, Special Agent  
Veterans Affairs, Office of Inspector General  
Criminal Investigations Division  
Dallas, Texas

SUBSCRIBED AND SWORN to before me this 14<sup>th</sup> day of Aug., 2019.



Kimberly E. West  
United States Magistrate Judge

**ATTACHMENT A****Accounts**

<b>Financial Institution</b>	<b>Account Number</b>	<b>Name on Account</b>	<b>Type of Account</b>	<b>Amount of Funds to be Seized Up To</b>
TD Ameritrade	xxx-xx5183	Bryan Blanck	SEP IRA	\$218,000.00
TD Ameritrade	xxx-xx6684	Nicole Blanck	SEP IRA	\$65,000.00

THE ABOVE-REFERENCED FINANCIAL INSTITUTIONS IS HEREBY COMMANDED to effect the seizure of the contents of the above-referenced accounts, refuse the withdrawal of any amount from said accounts by anyone other than duly authorized law enforcement agents, promptly provide federal law enforcement officers (or their agents or contractors) with the current account balance and seized funds.

\*Note: Please issue two separate checks, one for each account. The authorized seizure maximum amount for each account is listed in the "Amount of Funds to be Seized Up To" column.